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TURKEYS IN CANADA

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FRONT COVER

Turkeys in Canada

Canada, with about 3 million turkeys, and the United States with 59 million, are the world's largest turkey producers. That position is a natural one, for the turkey is a native North American. It has long been identified with one of the happiest holidays of the year in both countries—Thanksgiving Day. (Photo courtesy of Canadian National Film Board.)

BACK COVER

Exports From Uruguay of Wool, Meat, and Hides and Skins in Percentage of Total Value

Wool heads the list of Uruguay's principal agricultural exports. In fact, it is the country's most important export product and its biggest dollar earner.

NEWS NOTES

Emergency Famine Reserve Studied

The Food and Agriculture Organizations Work-

ing Party on an Emergency Famine Reserve met during the first part of September to study the practical problems that would be raised by establishing a reserve of food to be used in times of calamitous food shortages. The 18-member-government Council of FAO gave the proposal preliminary consideration at its meeting last June. It found so many thorny problems that it appointed the Working Party of experts in managing and financing reserves to recommend a sound course of action.

The Working Party concluded that high storage costs, handling and rotating stocks, the risk of deterioration, and the large administrative apparatus that would be required to manage emergency stocks made it impractical to establish physical reserves of stocks either owned internationally or nationally. The Party based this conclusion on the determination that there was no overriding supply reason why stocks to meet famines need to be built up in advance of an emergency. It felt that bread grains, which would be the main component of a reserve, are in adequate supply in relation to prospective famine needs.

The members of the Working Party agreed that an international emergency famine fund might be a workable alternative, if member nations were prepared to set up and contribute to the fund.

This proposal will be discussed at the coming meeting of the Council of FAO, convening November 17 in Rome.

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FOREIGN AGRICULTURE

ALICE FRAY NELSON, EDITOR

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The Turkey at Home and Abroad

by LOUIS M. SMITH, JR.



The turkey — America's "national bird," at least in November and December—has come a long way since the blasts from the Pilgrim Fathers' blunderbusses shattered the stillness of the New England forests and the first settlers returned to their rude houses with a good supply of meat for the first Thanksgiving dinner table.

Today the turkey, one of the few domesticated animals native to North America, is known over most of the world. And because of selective breeding practiced in several countries including the United States, the modern turkey is a much larger, meatier bird than its ancestor of Pilgrim days or its present-day wild cousin, which, incidentally, is still one of our most prized game birds.

Americans, who are somewhat sentimental about the turkey and its historic symbolism of abundant food during our happiest seasons of the year, are glad that the turkey is gracing more and more dinner tables throughout the world. We are ever mindful of the many animals and plants of great economic significance that we have received from the rest of the world, and are proud to be able to make an exchange contribution in the form of several greatly improved varieties of turkeys. Eggs and poults from highly bred turkey flocks in the United States are regularly flown to many parts of the world where they are used to start other breeding flocks.

Such advancements, however, are comparatively recent. It seems likely that the emigration of the turkey began soon after the Pilgrims found what a valuable bird it was and how easily it could be domesticated. Shortly after the turkey made its debut at the first Thanksgiving, it was taken back along the early colonization routes and found its way throughout Europe and adjoining areas. It was taken overland and overseas to Central and South America and is now firmly established there. Both European and American settlers took turkeys to the Pacific areas and from there to Asia. Through

the years much improvement was made in the breed and several varieties emerged.

The turkey made a great forward step, both geographically and genetically, when the United States Department of Agriculture got into its turkey breeding program at the Beltsville (Md.) Research Center. This breeding work resulted in the development of the Big-Breasted Bronze and a smaller variety — the Beltsville Small White, which is well adapted to the smaller kitchen facilities and the smaller family appetite of a comparatively new variety of American—the apartment dweller.

When these new breeds reached the stage of commercial production, the demand for breeding stock, both in this country and abroad, reached all-time high levels and turkey breeding became big business. As might be expected, the world-wide distribution of the turkey has resulted in varied production and marketing practices in many countries.

Proof that the *United States* has gone into the commercial turkey business in a big way is shown by the following figures: This year 59 million turkeys, of which one-fourth are the small breeds such as the Small White and Jersey Buff, are being raised. These birds, which yield about 91 percent of their total weight as meat, will provide 925 million pounds of turkey meat, or about 6 pounds for each latter-day United States Pilgrim. Last year United



Young turkeys from a hatchery are moved from their shipping boxes to a brooder on a United States farm.

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States turkey producers celebrated a total income of some \$340 million from the turkeys they sold.

Turkey men use many methods to keep their high-priced charges happy, healthy, and growing. Turkey ranches—a rather new development in American agriculture—are fenced against predators; considerable study is being given to the type of grazing that will produce the best turkeys; and de-beakers are used on the birds to allow them to eat specially prepared feeds but which make them less likely to peck at each other.

Many turkey raisers have “life insurance” on their birds—and the turkey insurance business is a large one. In line with the growing commercialization of turkey raising, a popular scheme of financing has been developed by the firms who supply feed and poults to those who are able to furnish labor, land, buildings, and ambition—plus, of course, the “know-how.”

The coming of electricity to rural America gave turkey raising added impetus. Farmers can hatch turkey eggs, brood the poults, de-beak the birds when they need it, operate killing and packing plants, and hard-freeze the dressed birds until the market is ready—all with on-the-farm electricity.

One big American turkey ranch, comprised of more than a thousand acres of rich grassland, is such a highly developed business that its owners keep a cross-index of every adult turkey on the premises and even employ a full-time geneticist! Another large farm has a corps of trained turkey dogs, which herd the birds from pasture to pasture and even sort them as to age and color.

Still another important phase of United States turkey breeding is the continuous effort to increase egg production. Here again selective breeding is the key to progress.

Yes, times have changed in the turkey's native land. Instead of strolling out to the nearest woods or swamp with a musket on his shoulder in the fall or winter, today's Pilgrim drives to the supermarket any time he feels like having a turkey dinner, and secures a bird ranging up to 18 pounds; or, if limited by his appetite, pocketbook, or the size of his wife's cooking facilities, he can get a small fryer-roaster of 4 to 8 pounds.

Thus, the turkey growers, insurance men, feed and supplies dealers, sellers of electrical refrigeration equipment, meat wholesalers and retailers, transportation people, and consumers all celebrate Thanksgiving more and more, the year round.

In *Canada*, which also shares in the turkey's early history, there are now about 3 million birds, and there has been a good increase in both domestic production and foreign trade in recent years. In 1951 turkey meat production amounted to 45 million pounds and was valued at \$24 million. Nearly all of Canada's turkey trade is with the United States, and Canada has afforded a healthy market for United States eggs, poults, and meat during the past 2 years. Although there is a decided trend toward commercial turkey raising, farm flocks still play an important part in the industry.

In *Ireland*, turkey production is geared almost entirely to the Christmas trade in that country and in Britain. Because of their plumpness and flavor, Irish turkeys are preferred in the British market. Producers have enjoyed favorable prices for the past several years and were able to export some 70 percent of their production in 1950 and 1951. In these 2 years, exports amounted to about 20 million pounds. During 1951, Eggsports, Limited (the poultry and egg marketing organization) developed a plan for spreading turkey prices over the marketing year and thus assuring producers of a favorable seasonal average price. At the same time, the plan protected exporters against heavy losses when British prices fell. Eggsports succeeded in building up a fund from the early, high turkey prices that would offset low prices coming at the end of the Christmas period.

In *Turkey* the number of turkeys is estimated to be well over a million. (It is interesting to note that the turkey is so-named because the Pilgrims mistook it for the guinea, called a turkey, that came to Europe from Africa by way of Turkey.) The birds are generally herded in flocks over the fields for feeding on waste grain, weed seeds, grass, and insects. They are driven, often 12 miles or more, to market centers during the Christmas and New Year season and sold alive from door to door and to butcher shops. In the Istanbul area where the industry is somewhat concentrated, turkey production is financed to some extent by dealers.

In *Mexico* the turkey population is estimated at nearly 2 million birds. Turkeys are used principally in the preparation of the national holiday dish, “turkey with mole,” the latter being a highly spiced sauce. Most of the turkeys are produced in central and southern Mexico on general farms under rather haphazard conditions. Improved feeding, breeding, and disease control are receiving attention, how-

ever, as commercial production gradually increases.

In *Argentina* turkeys, mostly of the Mammoth Bronze variety, are hatched in the open by natural incubation and then forage over large areas for feed. About 99 percent of the birds forage until 3 or 4 weeks before being marketed. Their pre-market diet is corn or other home-grown grains. The birds are shipped to processing plants by rail in sheep and cattle cars and by truck. Increasing numbers are being sent to the Buenos Aires market in trucks. The main killing and packing season is from June through mid-September and exports are generally made before November 30 so as to get the birds to their destination for the holidays. There are no domestic price controls for turkeys but export prices must be approved by the government. Domestic consumption of turkey meat varies

considerably from year to year and the sale of turkeys at the municipal market in Buenos Aires has ranged from 14 million pounds in 1946 to about 5 million pounds in 1949. Export sales also vary considerably, being about 0.6 million pounds in 1949 and 2.3 million pounds in 1950. The United States, the United Kingdom, and Brazil have provided the major, although most sporadic, markets for exports of turkeys for the last 25 years.

Despite any differences in production and marketing methods in these and other countries, the turkey is enjoyed in nearly all countries of the world today. Even extreme nationalism and the cold war have not prevented this native American bird from becoming a truly international, welcome symbol of good living and, consequently, a cause for Thanksgiving throughout the world.



Feeding time for a flock of turkeys on a farm in Ontario, Canada. Although more and more turkeys are being produced on a big commercial scale in Canada, small farm flocks are still important.

Switzerland's Basic Agricultural Law

By JANET STANTON

After prolonged professional and public debate, which extended over a number of years, the Swiss people in a referendum on March 30, 1952, adopted a basic law on agriculture, characteristically termed "law for the promotion of agriculture and safeguarding the farm community." Its basic purpose is to maintain, for reasons of general and social policy, a healthy farm community in about the present proportion to the total population. To this end agriculture is to continue to receive government protection and assistance in order to assure that the largest possible share of domestic food requirements can be covered by domestic production and to adjust that production to the capacity and pattern of demand in the domestic market and to the possibilities for export.

The law brings together in one basic code a variety of provisions scattered over a number of earlier farm acts dating as far back as 1893, and provides for additional measures of protection and control. Although the farm organizations, political parties, and important economic groups were outspoken in their support of the law, public reaction was strongly mixed as might be expected in a country regarded as a stronghold of free enterprise.

Problems of Swiss Agriculture

Although less than one-fifth of Switzerland's 4.75 million people are engaged in agriculture, the level of farm production gives this segment a prominent place in the economy. This fact was emphasized in the recent war period when Swiss farmers were called upon to produce the major portion of the food supply for an area that normally is only 52 percent self-sufficient. At the present time the Swiss import more than half of their bread grain and three-fourths or more of their feed grains, sugar, and fats and oils; they are almost 90 percent self-sufficient in meat, fully self-sufficient in potatoes, and are on a net export basis for milk and cheese.

Natural conditions in the Alpine and sub-Alpine regions of Switzerland are particularly suitable for grass farming and therefore encourage livestock production. Dairy production was expanded to such a point in the prewar period that surpluses, with consequent low prices, developed. In fact, just prior to World War II, a special commission, set up by the government to investigate the surplus milk problem, recommended that the acreage in field crops be expanded from 200,000 hectares to

300,000 hectares¹ over a period of 10 years. This recommendation was to encourage a many-sided agricultural pattern, in which there would be a better balance between dairy farming and field crop production. The expansion of arable land was greatly accelerated by the outbreak of the war in 1939 and the goal was exceeded chiefly as a result of the "plow up" campaign and the country's complete transition to a war economy, based on a carefully prepared plan.²

The end of the war and therefore the end of many of the compulsory restrictions and state controls brought speedy reconversion to peacetime economic patterns, accompanied by an uninterrupted decline in the acreage of field crops. Government officials became alarmed at the prospect of a revival of the prewar surplus-milk problem, and various measures were taken to encourage crop farming. True, declining arable acreages intensify the milk problem, but any expansion of arable land accompanied by a rational crop rotation may lead to a surplus of row crops, particularly potatoes. An expansion of the area in sugar beets has been suggested as a remedy, but this would necessitate the building of a second sugar refinery.³

A field crop acreage of approximately 300,000 hectares was, in the end, again set as an optimum, not only to check the milk surplus, but also out of considerations of national security.

Considerations of over-all trade policy also played an important part in these decisions. Switzerland,

¹ A hectare equals 2.471 acres.

² For details of the many-sided problems encountered and measures taken, see "Die Schweizerische Kriegswirtschaft 1939/1948," Bern, 1950.

³ In 1948, a proposed second refinery was rejected by popular vote largely because consumers feared that a government subsidy or special tax on imported sugar would be necessary to sustain the plant under normal conditions. Recently it was proposed that a second refinery, privately financed, might solve the problem and be acceptable to all sectors of the economy.

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as an importer of food and feed and an exporter of industrial goods, is particularly susceptible to world market conditions. Its prosperity depends on an unhampered flow of imports and exports and it dares not adopt too restrictive measures against agricultural imports. In fact, even though its production of such commodities as butter, eggs, and sugar could be expanded, Switzerland has traditionally imported them so that other countries would in turn buy its industrial products.

In recent postwar years, seasonal surpluses of fruits and vegetables (which could become chronic for the latter in light of the proposed expansion of arable land) have increased the pressure on government officials for more rigid import regulation. The farmers naturally will not follow governmental suggestions for expanding the crop area if the products they produce must be sold on a flooded market at depressed prices. In addition to the fruit and vegetable surpluses, Switzerland is faced with a chronic surplus of white wine. At the same time, the larger requirements for red wine are supplied to the extent of only one-fifth from domestic production, and four-fifths from imports.

Need for Adequate Legislation

Earlier legislation was long considered as not furnishing a firm legal basis for Swiss agrarian policy. With the major exception of the 1932 Law on Cereals (bread grains), prewar agricultural legislation merely indicated in a general way, or specifically for an individual commodity, the means by which farm production would be protected, regulated, or increased. Most of the important measures taken during and after the war were based on wartime authorizations granted to the Federal Council. These emergency powers have gradually lapsed since the end of the war and those remaining will lapse by the end of 1952.

During the war the federal authorities decided to prepare for the maintenance of a sound farm population and efficient farming after the war. With the acceptance of the so-called Economic Articles of the Constitution in 1947, the Swiss nation established a constitutional foundation for the protection of agriculture. This foundation provided the basis for drawing up a comprehensive agricultural law that not only provided for new measures of protection and control but also revised and brought up to date much of the earlier legislation. It was deemed advisable, however, to omit from the new "package"

law, or basic law on agriculture, three highly important laws—the Law on Cereals, covering the import, storage, distribution, producer price, utilization, and milling of bread grains, and the production, delivery, prices, utilization, and exports of milling products and bread; the Alcohol Law, covering the utilization by various means of surplus fruits and potatoes; and the Law on Rural Property—apparently on the ground that inclusion of these controversial issues would only jeopardize the acceptance of the entire law and was unnecessary since the measures were already in force and required no confirmation.

Theoretically all political parties and economic groups backed the law. The President of the Confederation launched an appeal for a favorable vote in recognition of the outstanding accomplishments of the Swiss farmers during the war. Outstanding politicians, businessmen, economists, powerful industrial organizations, and trade unions all came out in support of the law. Nevertheless, there was a great deal of opposition. Many consumers were afraid the law would mean higher food prices, while importers and exporters naturally resented its interference in their affairs. Even many farmers were against the law—some because its legal aspects were difficult to understand and others simply because they resented controls in general. However, a substantial majority of the voters were for the law, which passed by a vote of 480,852 to 410,915.

Important Provisions of the Law

Although the new law covers all phases of agriculture including research, education, land reclamation, and farm labor among others, it was mainly in the economic provisions that the law brought new and more comprehensive control or gave a legislative anchor to gradually developed practices. These provisions are designed to assure the country's food supply to the largest practicable extent from domestic output, and to keep agricultural production in a proper relationship with the demands of the domestic market and export possibilities.

The Federal Council, after consultation with the Cantons, is authorized to take appropriate steps to ensure maintenance of an acreage of arable land that is in keeping with marketing possibilities, that is diversified in its production, and that permits rapid expansion of crop production in times of emergency. The Federal Council may decree acreage goals by Cantons, for guidance, and if an emer-



Hay is cut by hand on this mountain farm above Kandersteg, Switzerland. Government assistance to mountain farmers is provided for in Switzerland's new agricultural law.

agency threatens may even issue compulsory planting instructions. (The allocation of such acreage goals by communities and farms is within the province of Cantonal authority.) Furthermore, measures may be taken to adjust livestock numbers to the domestic feed supply if the market situation or other urgent reasons require such action. The Federal Council is authorized to take a variety of measures to accomplish all these objectives. It can provide for acreage bonuses and crop storage, and can limit the importation of feedstuffs or impose supplemental fees. These fees may be used to cover the costs of acreage bonuses and the like. In addition, large livestock producers may be required to purchase a certain proportion of domestic feed. In peacetime the controls would normally be indirect; however, in times of economic or international political tension the government is permitted, for a

temporary period, to intervene directly.

When marketing difficulties arise in times of abundant production, the government may assist in building stocks or support the costs of such an operation. This aid may be made dependent on contributions from the interested (producer and import) organizations. In addition the farmers may be required to use all the products of their farms and even to take back products and byproducts in times of overabundance.

Even though more than four-fifths of the Swiss population would realize an immediate gain from the importation of cheap foodstuffs, the people have accepted as necessary, in the national interest, the stabilization of prices of farm products at a level that encourages farmers to remain on the land. If the sale of agricultural products at such prices encounters serious difficulties due to imports of "like

products or products of a similar nature," the Federal Council is authorized, first, to place quantitative restrictions on such imports; second, to raise tariffs on quantities exceeding existing quotas; and, third, to make import allocations to domestic users dependent on purchase of a determined proportion of similar domestic products. As a last resort, if importation renders controls ineffective, the government may place a temporary embargo on such products as are not previously bound by treaty. In case the sale of a domestic agricultural product is severely hampered by the importation of a "product of another kind," the Federal Council is authorized to take the same restrictive measures that are authorized for "like products or products of a similar nature." This authorization is subject to the limitations that may result from Switzerland's international agreements. Furthermore, on measures taken under it, the Federal Council must report to Parliament twice a year.

Exports

The government promotes the export of livestock and breeding animals as well as livestock products, fruit, and wine. If and when the government decides to subsidize exports of breeding stock, livestock, and dairy products, such subsidies should be paid from the receipts of fees and supplemental duties collected under the new law. Where it is necessary to follow certain policies regarding quality and price in Switzerland or abroad, the Federal Department of Public Economy may subject exports to a system of permits and collect fees for such permits.

Dairy Products

Another section of the law provides for the regulation of the supply of milk and dairy products. The Federal Assembly has the power to: (1) regulate the production, quality, delivery, and utilization of milk and dairy products; (2) require the collection of fees on the delivery of fluid milk and cream as well as on imports of butter, dried and condensed milk, and edible fats and oils in raw or semiprocessed state (returns from such fees will be used to lower consumer prices for specified dairy products and promote the sale of dairy products and domestic fats and oils); (3) authorize a central agency to control butter imports; and (4) organize and direct the rational and economic collection and distribution of fluid milk.

If a surplus of milk and dairy products develops

in spite of the above measures, the Federal Assembly may, as with other products, assist stockpiling or return the surplus to the farms for utilization. If these measures fail, importers of fats and oils can be compelled to take over excess butter for admixture with other edible fats. However, the importers have the option of paying an adequate fee for the pledged quantity not taken over.

Plant and Livestock Breeding—Mountain Farms

The government may contribute to experiments with new varieties of crops, grant premiums for growing pure strains, subsidize crop improvement cooperatives, and support the construction of model farms and fields and the cooperative purchase of agricultural machinery in Alpine areas. Similarly, livestock improvement will be encouraged through a special breeding program that utilizes only registered breeding stock. The use of these animals will be under the supervision and inspection of the Cantons. Separate breeds are to be maintained; crosses between animals of different races or breeds are to be discouraged. Herdbooks, cooperative breeding registers, dairy improvement stations, stud registers, and animal insurance are to be established to further livestock improvement. Quality improvement of milk and dairy products will be aided by government contributions to the costs of buildings, inspections, and tests and by prohibition of the sale of products that do not meet the quality specifications. Furthermore the sale of Alpine dairy specialties can be encouraged through additional premiums. Many of these provisions have of course been applied, for years past, under earlier legislation.

Grapes and Wine

As previously mentioned, there exists in Switzerland a maladjustment in wine production—a deficit of red wine and a surplus of white wine when production is above average. The new law provides for an adjustment of production to demand, so far as natural conditions permit, through high quality output, replacement of low quality vines with more valuable varieties, marketing campaigns for table grapes and grapes for other nonalcoholic uses, etc. However, unsuitable varieties will be excluded from any support measures after a certain date to be set by the Federal Council. Restoration of vineyards with good quality grapes that are resistant to *phylloxera* will be partly financed by the Federal Council. Fees levied on imports of wine, must, etc., will

cover these and other expenses involved in regulating and adjusting wine production.

Other Provisions

Other provisions of the law cover the hard core of basic working tools so necessary for a productive agriculture. Agricultural education and research, already highly developed in Switzerland, will naturally continue to play an important role in future agricultural developments and consequently continue to receive much attention as well as financial aid from the government. Furthermore, to supply the indispensable foundation for the correct execution of the law, the government promotes the development of complete agricultural statistics through production censuses, crop reporting, forecasts, inventories, and livestock censuses.

The law also provides for suitable precautions for protecting crops from diseases and pests through the planting of disease-resistant varieties and treated seeds, destruction of diseased plants, quarantine and disinfection of plants at the border, and even import controls where necessary. In this connection the government may also support crop insurance.

Land improvement and conservation projects are encouraged by the government and are partially financed, providing the projects fulfill certain requirements. The sale of agricultural requisites such as fertilizer, fodder meal, seed, insecticides, and weed killers is regulated by law. The basic properties and ingredients of such sundries must be registered with the government and the products labeled correctly as to their content. Noncompliance is punishable by fine.

Other provisions of the law include regulations governing work contracts and accident insurance for farm laborers. The final section, dealing with legal aspects of the various provisions such as protection and penalties, includes court appeals, fines, and delegation of powers.

Implications of the Law

As all other provisions of the law, the economic parts are oriented toward the principle of maintaining a healthy farm community in about the present proportion to the total population. To this end the domestic market, in general, is to be reserved for the Swiss farmer—at prices that cover the costs of production of domestic agricultural products of good quality produced on farms that are rationally managed and that operate in “average” environ-

ments and conditions. These prices are to take into consideration the needs of the whole economy and not just those of the agricultural sector—meaning, presumably, that income parity for agriculture cannot be pushed to extremes. To the extent that high costs of production are due to natural conditions or to basic factors that cannot reasonably be expected to change rapidly, high prices for the domestic produce are considered as justified. Similarly, high prices are accepted if they are a result of the diversified production pattern, which, though not perhaps the best utilization of Swiss agricultural resources,⁴ is approved in the interest of security considerations. On the other hand, high prices are not to be a screen behind which inefficiency can hide and persist. It is the production costs of reasonably well managed farms that are being looked on for guidance, not those of badly managed ones.

An interesting attempt has been made to calculate the cost to Swiss society of agricultural protection, on the basis of three assumed patterns of agricultural adjustment.⁵ The tentative conclusions of the study were to the effect that, compared with a situation free from all measures of protection, agricultural protection as now practiced (and assuming a total of 300,000 hectares of arable acreage) would account for approximately one-fourth of the gross returns of the agricultural industry. It would cost the consumer approximately 75 francs (\$18.00) per head per year—roughly 6 percent of the food bill. The study's authors also maintain that, as far as agriculture is concerned, the financial advantage accruing to the farm community is about offset by the financial burden imposed upon it by the existing nonagricultural protection as compared with a state of freedom from all protection. A more realistic comparison, on which the authors concentrate, indicates that the economic costs of the desired pattern (300,000 hectares arable) of agriculture and of the protection now practiced or implied in the new law will be *little more than the cost of "protection maintained in 1939.* This increase in costs has been calculated at 1.85 francs (40 cents) per head per year—2 percent of the costs of military defense.

⁴ Some economists think otherwise. See “Agrarpolitik und Aussenwirtschaft,” by W. Gasser, Separatdruck 1949 of the St. Galler Bauer, pp. 4 and 13, where it is contended that greater diversification is the more economical use of resources in Swiss agriculture.

⁵ See “Agrarpolitik und Aussenwirtschaft,” by H. Bachmann and W. Gasser, St. Galler, Switzerland, Feb. 1948.

Wool—Mainstay of Uruguay's Economy

by CONSTANCE H. FARNWORTH



A lively sheep and wool industry is vital to a prosperous Uruguayan economy. Wool has been an important export item since the early 1900's, reaching a high of 60 percent, by value, of total exports during 1950—about \$153 million—and making that one of the most lucrative years the country has ever enjoyed in international trade. The United States has been the principal market for Uruguay's wool exports for several years, taking more than 75 percent of the total in 1950. Since then Uruguayan dealers have been unwilling to sell their wool at the reduced prices in world markets and a critical financial situation has developed in the country. The entire economy of Uruguay will continue to be seriously affected until wool again becomes an active trade item. It is the country's chief source of revenue for subsidy payments on other agricultural products and the greatest single earner of dollar exchange.

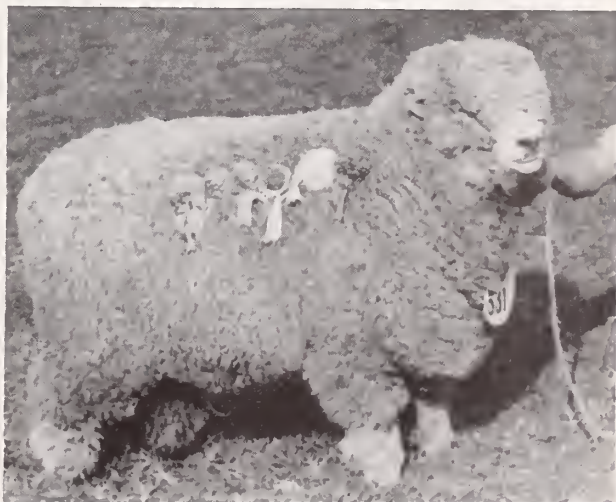
Background of the Industry

More than two-thirds of Uruguay, about 35 million acres, is in permanent pasture, which has made possible a thriving sheep raising industry. The first sheep were brought into the country from Spain about 1670. These animals were small, mostly black to gray in color, and produced a fleece that was a mixture of hair and wool. They were grazed with cattle on *estancias* (ranches) and tended by sheep herders. The *estancias* ranged in size from 50,000 to 375,000 acres. They had to be large in order to be profitable, for the only commercial products of Uruguay at that time were wool and hides and skins. At the same time livestock raising was well adapted to this sparsely populated country.

At first the rivers and creeks and ridges formed the only boundaries of these vast holdings. Most of them have since been fenced and some are gradu-

ally being broken into smaller units through inheritance and sale. The sheep now roam freely in the fenced pastures without even a sheep herder. The pastures are large—generally 1,200 to 2,500 acres—because of the relatively high cost of fencing. The fences consist of four strands of smooth wire at the bottom and three of barbed wire at the top, providing a fence useful for both cattle and sheep.

Most of the water supply for the stock is provided by natural streams, which also makes it necessary to have large pastures. A few windmills with metal tanks for reserve supplies of water are used in some sections of the country, but many ranch owners consider that the cost of both fencing and windmills takes too large a share of their profits and so cut down expenses by resorting to the use of the water from the streams. The usually adequate rainfall and mild climate of the country help provide natural pastures of large carrying capacity throughout the year as well as plenty of water for the streams. Uruguay, however, does experience droughts periodically. A severe drought prevailed in 1943 and many cattle were lost because of the lack of water and feed. Since sheep can survive on more meager pastures than cattle, few of them were lost. During the wet cycle, when the pastures are lush and green, ranchers tend to overstock, which usually leads to



Uruguay's grand champion Corriedale of 1952. The Corriedale is the most popular wool breed in the country.

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heavier losses when a dry spell does occur. Sheep are especially destructive when carried in excessive numbers on the poorer rolling pastures because they crop the grass too short and the more productive varieties are killed. Some of the pastures have been greatly overstocked with sheep during the past few years largely because of the high wool prices.

Few large estancias have native sheep now, but several small breeders raise some of the animals because of the local popularity of the skins for saddle blankets and because the Uruguayans claim the flavor of the meat is superior to that of modern breeds. About 1850 the practice of crossing the local sheep with fine wool breeds was started, and Uruguayan sheep began producing a wool of improved quality. By 1900 Uruguayan wool, which became known as "Montevideo," was in general demand on the international market. In 1910, however, when modern packing houses were opened in Uruguay, ranchers switched toward the meat type of sheep by crossing the local sheep with mutton breeds. Mutton was in demand at high prices through the First World War. After that the high priced market for the meat disappeared and ranchers again concentrated on breeding largely for wool production. The most popular breed today is the Corriedale.

Previously more ranchers bred crosses of Merino-Lincoln and Merino-Romney Marsh, the finer wool breeds. Since Corriedale flocks have been increased the percentage of coarser wool (below 60's) produced in Uruguay has risen.

Ever since Uruguayan wool has been entering international trade, sheep numbers have risen and declined in almost direct relationship to the price and demand for wool in foreign markets. In 1908 there were an estimated 26 million head of sheep in Uruguay. By 1916 the number had dropped to a little more than 11 million and then gradually climbed back to about 20 million in 1943. Since 1946 the price of wool has been steadily rising and the number of sheep has taken a sharp upward turn. In line with record prices for wool, generally favorable weather conditions, and a low mortality rate, the sheep count was estimated at 27 million head at the end of 1951—the highest count in history. Officially the number of sheep in May 1951 was placed at 23 million or more, twice the number in 1916, and the largest official count since 1908.

Sheep are given little care in Uruguay other than dipping for ticks. They are sheared once a year beginning in October, during the Southern Hem-

TABLE 1.—*Breeds of sheep in Uruguay, 1951 compared with 1937*

Breeds	1937		1951	
	Number	Percent of total	Number	Percent of total
Romney Marsh.....	6,584,198	36.72	1,518,647	6.49
Merino.....	4,457,515	24.86	2,518,597	10.76
Lincoln.....	2,917,185	16.27	92,002	.39
Corriedale.....	5,170	.04	7,138,477	30.49
Ideal.....			558,498	2.39
Crossbreds.....	3,829,751	21.35	11,079,992	47.33
Others.....	137,508	.76	502,429	2.15
Total.....	17,931,327	100.00	23,408,642	100.00

isphere summer. Power clippers are used exclusively. The average annual production of wool per animal is approximately 7 pounds. The yield could probably be increased by better feeding and care but that would increase production costs. The cost of producing wool in Uruguay is low for those who have owned their own land for many years because land taxes are low and there are no ad-valorem assessments against livestock. About 40 percent of the producers, however, have entered the business during the past few years when the prices of land and livestock have been greatly inflated. There is very little profit for these people in the industry, then, if the price of wool to the producer falls lower than 1 peso per kilo. Marketing charges, such as freight and wages, remain fixed at around 30 percent above the producer's price.

Total production of wool has increased sharply during the past few years, reaching the record level of 187 million pounds in 1951-52:

<i>Wool year Oct. 1-Sept. 30</i>	<i>Million pounds</i>
1947-48	150
1948-49	144
1949-50	163
1950-51	181
1951-52	187

Uruguayan wool is noted for its high quality and freedom from burrs and seeds that stick to fleece. Most of the wool is fine, largely comparable to that produced in the United States. Uruguay produces practically no carpet-textured wool.

Place of Wool in Trade

Uruguay is primarily an agricultural country that exports a large share of its agricultural production. For that reason, its economy depends heavily on international trade, especially trade in wool, the

principal export. Beginning in 1944, wool has occupied first place by value as a trade item. Before then, it was an important export but it did not always occupy first place, being exceeded in some years by exports of meat and meat products. During 1935-39, average wool exports comprised about 42 percent of total exports by value. In 1950 they were the largest on record and accounted for almost two-thirds of the total exports of the country, which were valued in excess of \$254 million.

The quantity of wool exported during 1935-39 averaged 105 million pounds. Since 1944, exports have fluctuated between a low of 107 million pounds in 1949 and a high of 197 million in 1950. About 90 percent of the wool crop produced in 1949-50 was exported during the year. Wool prices were high during 1950, skyrocketing to an all-time high in the first 3 months of 1951 and trade was brisk. During the first week of March 1951 prices were seven times those of 1940. During the rest of the year, however, a pronounced slump in exports took place and extended into 1952. This slump came as a result of the inflated costs of production and because the producers have been holding their wool off the market waiting for the falling market to rise. Other factors adversely affecting wool sales from Uruguay have been: a question as to the final action the government would take on export duties and taxes on wool, and a lack of foreign buying interest in Uruguayan wool at the prices asked.

Only about 11 percent of Uruguay's wool production goes into its own textile industry. Finished woollen products have been finding a limited market abroad. Most Uruguayan wool exports have been of greasy wool, which made up about 80 percent during 1950. During the first months of the 1951-52 season, there was a tendency to shift to the export

of wool tops (wool that has been processed almost to spinning stage), which have been favored by a preferential exchange rate. In fact, almost half the total export through June consisted of tops. The trend was reversed again in July, however, as a result of measures taken by the government (see section on policy) and of about 81,000,000 pounds (greasy basis)¹ exported from October 1, 1951, through August 31, 1952, only about one-third was tops.

European countries were the principal market for Uruguayan wool in the prewar period 1935-39, but since 1940 the United States has taken the largest percentage of Uruguay's exports. During some of the war years the United States imported more than 90 percent of Uruguay's wool exports, but since 1945 our imports have fluctuated between 50 and 80 percent. All of our imports from Uruguay are of apparel wool. Since the United States also produces large quantities of apparel wool the size of our imports of this class of wool depends largely on the purchasing power of the United States consumer or on emergency demand. From 1941 through the first quarter of 1951, the demand was strong in the United States, partly because production here was decreasing and consumption increasing.

Because of the importance of wool in Uruguay's foreign trade the fact that only about half of the 1951 crop was marketed in the first 11 months of the marketing year has resulted in a critical exchange situation. The end of 1951 already found Uruguay in the position of having its credit tied up in millions of pesos worth of goods, imported and not yet sold to the ultimate consumer and large quantities of wool waiting to be exported with demand lessening for both groups of commodities. The result of this situation has been a drastic curbing of imports by the government with little likelihood that relative freedom along this line will be permitted for some time to come.

Current Policy Measures

Uruguayan wool is sold on the open market with little governmental control. Most wool is marketed by the grower through brokers in Montevideo and through wool traders who buy and sell to their own account. The government does, however, levy taxes and duties on wool exports. In all there have been until recently about 20 tax items that have been applied to greasy and washed wool, falling in the

TABLE 2.—*A comparison of wool grades in Uruguay, 1942-43 and 1951-52*

Grade	1942-43	1951-52
	<i>Percent</i>	<i>Percent</i>
Above 60's	16	9
60's.....	28	18
58's.....	12.5	15
56's.....	12.5	15
50's to 46's	25	16
44's to 40's	6	3
Others.....		¹ 24
Total.....	100.0	100

¹ Mostly 56/58's.

¹ Does not include blouses, card, waste, etc.

following tax categories: Tax for Rural Workers Pension and Old Age Fund, taxes on f.o.b. export value, taxes and duties on declared value, and specific duties and taxes. Washed wool has enjoyed one important advantage over greasy wool in that the value assigned to washed wool for tax purposes is about one-half that of greasy wool. The lowest taxes are reportedly levied on wool tops, making it possible for the exporters of tops to pay a higher price for wool in the domestic market than those exporting the other wools.

In addition to all these taxes there is a controlled exchange rate applied to wool exports, which is in effect an indirect tax. Earnings from wool, handled on an exchange basis by the government, constitute

the source of its subsidy funds for primary food products. In Uruguayan foreign trade, multiple-controlled rates are established by the government. The current basic export rate on greasy and washed wool is 1.519 pesos to the dollar. The rate was established some time ago as representing the cross-rate value between the dollar and the pound sterling. The basic selling rate for nonluxury imports is 1.90 pesos to the dollar and was arbitrarily established to protect national industry. These rates are periodically set by the government. The difference between the two rates (38.1 centesimos per dollar) goes to the Exchange Profit Fund for government subsidy expense.

While the export rate on greasy and washed wool



Uruguayan sheep ranchers exhibit their prize stock. Wool is the country's principal export product.

continued at 1.519 during 1951, a preferential rate of 2.35 was applied to wool top shipments in order that this processed commodity could be profitably sold abroad. Because of the advantages enjoyed by wool tops through lower taxes and a preferential rate, more people in Uruguay have gone into wool top production. The subsequent increase in production followed by increased exports of combed wool has led to criticism by wool producers in other countries. The Uruguayan Government accordingly became concerned over a possibility of retaliatory treatment by the United States because of the reported unfair competitive advantage given Uruguayan tops through the preferential exchange rate. A commission was therefore appointed to study current wool problems and make recommendations for their solution to the Uruguayan Government. The commission recommended the suspension until further notice of export licenses for tops. This recommendation became law in a decree of April 5, 1952. By this action Uruguay's most valuable wool export was removed from trade channels. The embargo on tops lasted only until May 28, however. As a further measure to settle the wool top situation the National Executive Council in May decreed a change in the rate applicable to wool tops from 2.35 pesos to the dollar to 2.15, based on the formula of 2.35 pesos for 76 percent of the value of each shipment and a rate of 1.519 for the rest, valid until August 1.

At the same time, at the recommendation of the commission, a bill was passed to suspend all taxes and duties and charges on greasy and washed wool sold between May 9 and July 31 of this year except those taxes assigned to the Rural Pension and Old Age Fund and the Wool Workers Unemployment Compensation Fund, and charges enacted by law for the Sheep Scab and Sheep Improvement Fund. The commission also recommended the removal of all duties, taxes, and charges on wool tops. The 2.15-peso rate now in effect for wool tops, then, is really a consolidation plan of the base rate of 2.06 on tops, plus an exemption of export taxes totaling 9 centesimos for tops that does not apply to other wool. The rate of 2.06 therefore should be taken rather than 2.15 to determine the preference enjoyed by tops. On August 6 the law lifting some export levies on greasy and washed wool was extended through September 30, and later to November 30.

The taxes were dropped on the wool items in order that producers in Uruguay might receive a

higher price for their wool and in the hope that most of the wool would move into export channels before the beginning of the new clip.

Outlook

Wool sales have increased following the lifting of certain taxes, duties, and charges on greasy and washed wool exports. Since only about half of the 1951-52 clip had moved into export channels by the end of August, there will be a sizable carry-over into the new wool year, however. A large carry-over will pose a problem, for small producers cannot afford to have their clip held indefinitely and finding warehouse space for the new crop will be difficult. Reduced incomes from wool have already been reflected in decreased purchases by Uruguay.

The long-term effects of the present wool problem are difficult to forecast. The wool market has been unstable for some years, as a result of the development of synthetic fibers and of changes in war news. Some students of the economy of Uruguay believe that the current situation with respect to wool may lead to a reversal in the current trend of increased sheep flocks and toward a greater concentration on cattle production. Argentina's difficulties in meeting its export commitments on beef may also be a factor favoring increased cattle numbers in Uruguay at the expense of sheep flocks. We can be reasonably certain that Uruguay's economy will continue to be based on livestock for some years to come, even though we cannot forecast the distribution as between sheep and cattle.



The Office of Foreign Agricultural Relations has just published its third annual graphic presentation of the world agricultural situation, entitled "Foreign Agricultural Situation Chart Book."

Primary objective of the book is to show how foreign agricultural production and trade affects the American farmer. The 77 maps and charts portray the total United States foreign agricultural trade, as well as the production, supply, carry-over, consumption, price, and international trade of such commodities as bread grains, coarse grains, rice, fruits, fats and oils, cotton, tobacco, and coffee.

The chart book may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for 35 cents a copy.

Trends in Crop Production In Latin America*



Latin America's agricultural output in the crop year 1951-52 was 25 percent higher than in the prewar period 1935-39. Argentina is the only country in the area that has fallen behind in crop production. Output of its principal crops—corn, wheat, and flaxseed—was considerably less than half the prewar figure in 1951-52, resulting partly from unfavorable weather and partly from government policy over the past few years. Harvests in the other countries have been consistently higher since the war but population has grown too. In 1949-50, for example, total production of crops in Latin America was 19 percent higher than in 1935-39 and population was 27 percent greater. Per capita production, therefore, was less in 1949-50 than in prewar by 6 percent. This drop was due almost wholly to the drastic reduction in Argentina's output of corn, wheat, and flaxseed. Excluding Argentina from the total, the area had a 40-percent increase in crop production and a 12-percent rise in per capita production.

Background

Latin America is one of the important agricultural areas of the world, supplying most of the coffee, bananas, henequen, and castor beans, as well as large quantities of sugar, cacao, and cotton. With its products it is both a competitor and a supplier of the United States. Until recent years, Argentina was one of the four principal wheat exporters and the only significant corn exporter in the world. In addition Latin Americans export a wide variety of exotic products, including rotenone, pyrethrum, Brazil nuts, babassu, carnauba wax, and rubber.

With a rapidly growing population and expanding industrialization in many countries, Latin America is becoming an increasingly important market for the output of United States farms. Dairy products, wheat flour, lard, fresh and dried fruits, and rice are items already entering that market in volume. Also of vital concern to United States produ-

cers and consumers is the effect that the Point Four program and other technical assistance programs are having on the agricultural output in various Latin American countries.

In order to determine production trends and assist in appraising them, the Office of Foreign Agricultural Relations has constructed an index number of the volume of crop production, using as a base the prewar period, 1935-39 (tables 2 and 3).

Area and Country Trends

Argentina is the only country in the area where the measure of production used shows a decline in the absolute volume of output since the prewar period. Using 1935-39 as 100, Argentine production of cultivated crops was only 57 in 1951-52.

Drought conditions are responsible for part of the slump in production in Argentina, but much of it results from reduced acreages planted. This in turn can be traced to government price policies and other policies that have favored industry at the expense of agriculture.

Brazil's production has increased about 30 percent, even after taking into account the decline in coffee and cotton production. In most years coffee was the most important item in the index, followed by corn, cotton, rice, and yuca, the order of importance shifting somewhat from year to year. When the two big export crops, coffee and cotton, are left out of the index, production of other crops show an increase of about 60 percent above the prewar level.

TABLE 1.—Crop production trends in Latin America by index number, prewar compared with postwar

Item	Index of total production				Index of per capita consumption
	1935-39	1949-50	1950-51	1951-52	1949-50
Total Latin America	100	119	127	125	94
Total, less Argentina	100	140	145	153	112
Total food	100	122	132	128	97
Total food, less Argentina	100	146	150	158	117

* Prepared by the staff of the Latin American Division, Regional Investigations Branch, OFAR.

Chile and Paraguay have only moderate increases in total farm production, whereas Cuba, Mexico, and Nicaragua made outstanding gains. Increases are substantial in Colombia, Costa Rica, Ecuador, and Panama. High production in Cuba reflects the tremendous increase in sugar output in that country. Mexico has made a concerted effort to expand agriculture, particularly production of sugar, cotton, and corn. The use of improved varieties of seeds, developed in cooperation with the Rockefeller Foundation, has played an important part in this expansion. Improved methods and varieties also helped Nicaragua to show such rapid expansion. On the whole, the most rapid increase in volume of production came in countries located in the northern part of Latin America, but generalizations by area are difficult to defend. Moderate production increases in Haiti, for example, do not compare with the rapid strides in neighboring Cuba. The indices for northern Latin America and South America, therefore, conceal wide variations between countries as does the Latin American index as a whole. The influence of Argentina on the production index for South America is great, resulting in only a moderate increase in total output. The index for the northern area, on the other hand, indicates a doubling of total production in 1951-52 over the prewar period.

TABLE 2.—Index of the volume of agricultural production in Latin America, prewar compared with postwar

Country	1935-39	1949-50	1950-51	1951-52	Per capita 1949-50
Argentina.....	100	68	84	57	50
Bolivia.....	100	174	170	181	154
Brazil.....	100	127	132	129	104
Chile.....	100	107	111	118	84
Colombia.....	100	163	143	162	130
Costa Rica.....	100	161	156	168	122
Cuba.....	100	191	196	242	150
Dominican Republic.....	100	120	123	136	89
Ecuador.....	100	140	178	162	130
El Salvador.....	100	127	129	137	116
Guatemala.....	100	122	117	119	99
Haiti.....	100	131	129	144	109
Honduras.....	100	146	153	148	112
Mexico.....	100	179	186	214	129
Nicaragua.....	100	166	163	190	151
Panama.....	100	149	157	142	98
Paraguay.....	100	117	114	114	80
Peru.....	100	128	134	129	106
Uruguay.....	100	119	155	143	106
Venezuela.....	100	112	129	143	74
Total.....	100	119	127	125	94
6 Central American countries.....	100	136	135	137	112
3 Caribbean countries.....	100	172	176	214	137
Total Central America, Caribbean, and Mexico.....	100	168	173	201	128
South America.....	100	107	116	106	86

In seven countries crop production has not kept pace with apparent population growth. Data on population, however, are based in some cases on rather unreliable estimates. In Uruguay, for example, there has been no population census since 1908. Available figures for Venezuela show an increase from prewar to 1949-50 of 47 percent, whereas the average increase for Latin America is only 26 percent, or from roughly 122 million to 154 million. Keeping in mind the unreliability of much of the data, population appears to have increased faster than agricultural production in the following countries: Argentina, Chile, Dominican Republic, Guatemala, Panama, Paraguay, and Venezuela.

Cuba's large sugar production is responsible for that country's high per capita increase in output—from 100 in prewar to 150 in 1949-50. Nicaragua was even higher with a per capita increase of 51 above prewar. Mexico, however, with a larger total production figure than that of Nicaragua, also had a greater increase in population and therefore a per capita increase of only 29 percent above prewar.

Commodity Trends

The total index conceals wide variations also as between the different commodities and commodity groups. On the whole, the grains are the only commodities that show a marked decline from the pre-

TABLE 3.—Production trends of principal crops in Latin America, prewar compared with postwar

[Production Relatives, 1935-39 = 100]

Crop	1935-39	1949-50	1950-51	1951-52
Corn.....	100	69	83	86
Wheat.....	100	90	97	56
Oats.....	100	78	96	66
Barley.....	100	107	144	103
Rice.....	100	215	209	201
Beans.....	100	148	144	140
Chickpeas.....	100	149	152	136
Lentils.....	100	122	142	137
Potatoes.....	100	174	178	169
Sweetpotatoes.....	100	136	136	138
Yuca.....	100	220	221	229
Sugar.....	100	178	191	224
Panela.....	100	162	154	163
Peanuts.....	100	210	263	268
Sunflower seed.....	100	521	764	666
Sesame seed.....	100	362	362	362
Flaxseed.....	100	51	45	30
Castor beans.....	100	137	131	138
Cotton.....	100	112	120	132
Henequen.....	100	104	92	92
Abacá.....	100			
Tobacco.....	100	137	138	130
Bananas.....	100	162	167	172
Coffee.....	100	95	94	92
Cacao.....	100	127	116	97

war level. Here again the influence of Argentina's declining production accounts for the drop in corn, wheat, oats, and flaxseed output. On the other hand, rice production has doubled, with all the producing areas of Latin America sharing in the upswing. Yuca, sugar, and peanut production have more than doubled over the past 15 years, and sunflower and sesame seed production have risen sharply. Substantial gains were made in potatoes, panela, and bananas, and somewhat smaller gains in tobacco, cotton, castor beans, sweetpotatoes, and pulses.

Although coffee production in Brazil has dropped below the prewar level (on the basis of 1935-39=100, 1949-50 was 82), production in other areas has increased, giving a total relative for 1949-50 of 95 and for 1951-52 of 92. Total coffee production, however, has failed to keep pace with the increasing population of the consuming nations, not to mention the upward trend in per capita coffee consumption in the United States, which is the principal world market for this beverage. This fact, together with the sustained high incomes of consumers, has resulted in a high level of coffee prices, which in turn is stimulating new plantings of trees and somewhat more intensive cultivation practices.

In addition to the grains and flaxseed, henequen, coffee, and cacao show a decline in 1951-52 below the prewar level.

For all the years for which calculations are made, the following six products are more important in the total than any others: Corn, wheat, coffee, sugar, cotton, and rice. The given order was that which obtained in 1935-39. For the recent period, sugar replaced corn as the principal item in the index, and for 1951-52 wheat fell from second to sixth place.

The commodities whose production has failed to keep pace with expanding population in Latin America cover only those usually grown in sufficient quantity for export from the area. Wheat, for example, moved in the past from the traditional exporter, Argentina, to deficit areas in Latin America like Brazil, as well as to markets outside the Hemisphere. During 1952 even Argentina has found it necessary to import wheat for its own consumption. With the exception of wheat, however, commodities with declining or static output affect the domestic economy, not by reducing the supplies of those products in the home market, but by restricting the quantity of exchange available for the pur-

chase of needed goods from other countries.

Construction of the Index

The method of constructing the index for crop production in Latin America is in general the same as that used in earlier studies by OFAR.¹ The data used were not subject to as much refinement as those in the European studies. Many problems that were met in the construction of the index tested the statistician's ingenuity. In addition to the usual problems of providing satisfactory weights for combining production in the different countries and for all countries, there was the problem of piecing together bits of information to estimate the production of several relatively important crops not commonly entering commercial trade in order to provide better measures of total production, and particularly to provide better measures of food production in the various countries.

Only the principal cultivated crops are considered in the present study. For Latin America as a whole, and for certain countries in particular, production of livestock and livestock products is tremendously important. Such production is not taken into account in the present index because of the difficulty of obtaining satisfactory data and finding the time to collect and analyze the data that are available, and because of our wish to present the preliminary results of this study for immediate use. For Latin America, separation of crop and livestock indices does not detract so much from their value as a similar separation would do for the United States, where crop and livestock farming are much more closely related than they are in Latin America. Collection of livestock data is going forward, however, and a revised total index including livestock will be constructed.

Throughout the Americas the crop most universally grown and most typically American is corn. Accordingly that product was chosen as the common denominator in determining the weights to be used. Prices per unit of all products within a given country in the prewar period were expressed as relatives of the unit price of corn; these country relatives were weighted by production in those countries to obtain an area weight for each commodity; the area weight in turn was checked with results shown by studies of other areas as well as

¹"Agricultural Production Indices for the ERP Countries," *Foreign Agriculture*, January 1951; "Postwar Progress in Asia's Agricultural Production," *Foreign Agriculture*, January 1952.

against the known relationships in certain countries. The data were rounded and adjusted in certain cases as a result of these checks. The adjusted commodity area weights were used for all 20 republics in the construction of the final index of production. Data on prices at the different steps in the marketing process vary as to availability and reliability from one country to the next. This is also true with respect to estimates of production. Where possible, prices of all commodities within a given country were taken at the same level in the marketing process, although this level may vary as between countries. For 14 of the 20 Latin American Republics it was possible to obtain prices for the period 1935-39.

Basing the index on a product common to all countries of the area permits ready comparison between one country and another as well as between different commodities and commodity groups.

All the commodities used in the index have been important in the production pattern of the area during the period considered with the exception of abacá. Abacá, or Manila hemp, was grown only experimentally in Latin America until the war years, when this product was difficult to obtain from the Far East. The United States, through the Reconstruction Finance Corporation, was instru-

mental in stimulating production of abacá in four countries of Central America — Honduras, Guatemala, Costa Rica, and Panama. These four countries are still the principal Latin American sources of this fiber although several other countries are beginning to produce it. The area weight for this product represents the relative value between abacá and henequen in the New York market in 1935-39.

Estimates of total production within a country were used, with no attempt being made at this time to determine quantities going into food, fiber, seed, waste, export, etc. Population figures are from the 1950 census where such was taken and, in other cases, from official estimates. Table 4 shows the work sheet data for the construction of the country index for Argentina, including the area weights for each commodity, production estimates, aggregates, commodity relatives, the country index, and the per capita index for 1949-50.

The index is subject to many weaknesses, including the unreliability of much of the data used, as well as the narrow base on which estimates of many countries rest. The increase in production shown for Bolivia, for example, may well be statistical rather than actual. On the other hand, the index for the area as a whole is reasonable and provides a starting point for more intensive study and refinement.

TABLE 4.—*Argentina: Volume of agricultural production, prewar compared with postwar*

Crop	Weight	Production				Aggregates				Relatives			
		Prewar	1949-50	1950-51	1951-52	Prewar	1949-50	1950-51	1951-52	Prewar	1949-50	1950-51	1951-52
		1,000 Metric tons				1,000 Metric tons							
Corn	100	7,671	840	2,620	2,700	7,671	840	2,620	2,700	100	11	34	35
Wheat	150	6,634	5,140	5,800	2,050	9,951	7,710	8,700	3,075	100	77	87	31
Oats	85	748	540	733	442	636	459	623	376	100	72	98	59
Barley	95	503	400	763	349	478	380	725	332	100	80	152	69
Rice	230	51	131	141	191	117	301	324	439	100	257	276	375
Beans	200	19	34	28	20	38	68	56	40	100	179	147	60
Chickpeas	170	5	3	4	3	9	5	7	5	100	60	80	105
Lentils	265	6	26	32	30	16	69	85	80	100	433	533	189
Potatoes	112	663	1,140	1,559	1,250	743	1,277	1,746	1,400	100	172	235	500
Sugar, cent.	190	437	549	613	650	830	1,043	1,165	1,235	100	126	140	149
Peanuts	320	79	61	91	120	253	195	291	384	100	77	115	152
Sunflower seed ..	200	154	712	1,021	900	308	1,424	2,042	1,800	100	462	663	584
Flaxseed	225	1,513	676	559	300	3,404	1,521	1,258	675	100	45	37	20
Cotton	1,200	63	140	100	120	756	1,680	1,200	1,440	100	222	159	190
Tobacco	1,060	16	27	36	38	170	286	382	403	100	169	225	238
										Indices			
Total						25,380	17,258	21,224	14,384	100	68	84	57
Per capita 1949-50 ¹										100	50		
Food only						21,050	13,771	18,384	11,866	100	65	87	56

¹ Population, 1935-39: 12,572,000.
1950 : 17,100,000 (estimated).

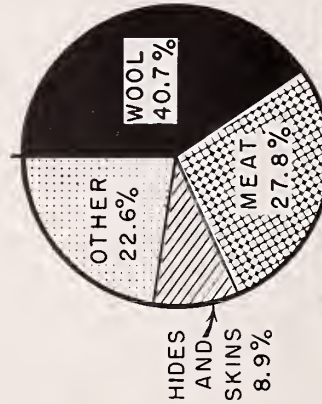
EXPORTS FROM URUGUAY OF WOOL, MEAT, AND HIDES AND SKINS IN PERCENTAGE OF TOTAL VALUE

1950



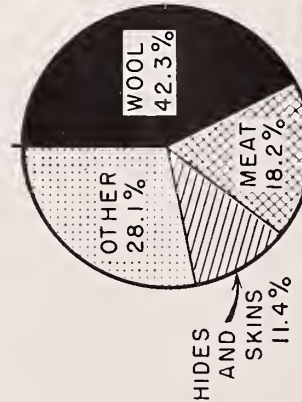
254,000,000
U.S. DOLLARS

1940-44
AVERAGE



79,000,000
U.S. DOLLARS

1935-39
AVERAGE



70,000,000
U.S. DOLLARS